IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE C.N.RAMACHANDRAN NAIR

THURSDAY, THE 2ND NOVEMBER 2006 / 11TH KARTHIKA 1928

WP(C).No. 29274 of 2004(I)

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PETITIONER:

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K.V.BINU, AGED 35,
S/O. VENU, KONNATTU HOUSE, ERUMATHALA P.O.,
ASOKAPURAM, ALUVA EAST, ALUVA TALUK.

BY ADV. SMT.AYSHA YOUSEFF
SRI.V.K.SIDHIQUE
SMT.K.A.SANJEETHA

RESPONDENTS:

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1. DEPUTY TAHSILDAR (R.R),
TALUK OFFICE, ALUVA.

2. VILLAGE OFFICER,
ALUVA EAST VILLAGE, CHOONDY, ERUMATHALA P.O.,ALUVA

3. THE MANAGER,
BANK OF BARODA, ALUVA BRANCH, ALUVA.

R1 AND R2 BY G.P. SRI. S. DILEEP

THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY HEARD ON 02/11/2006, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

APPENDIX

PETITIONER'S EXHIBITS:

EXT.P1 TRUE COPY OF NOTICE DATED 18.9.2004 UNDER SECTION 7 OF R.R. ACT.

EXT.P2 TRUE COPY OF NOTICE DATED 18.9.2004 UNDER SECTION 33 OF THE REVENUE RECOVERY ACT.

EXT.P3 TRUE COPY OF REPRESENTATION DATED 4.10.2004

RESPONDENTS' EXHIBITS: NIL.

TRUE COPY

P.S. TO JUDGE.

C.N.RAMACHANDRAN NAIR,J.

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W.P.C.NO. 29274 OF 2004

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Dated this the 2nd day of November, 2006

JUDGMENT

Petitioner is challenging revenue recovery proceedings for recovery of arrears of loan taken from the third respondent. Petitioner's case is that since loan was taken for purchase of vehicle, it is not recoverable under the RR Act. Even though notice was served, there is no appearance for the Bank. I do not think petitioner's contention can be accepted. Priority loans such as small business loan, loan under self-employment scheme, etc., are covered by notification issued under Section 71 of the Act and revenue recovery proceedings are maintainable in such cases. This Court passed an interim order dated 6.10.2004 granting stay against recovery proceedings on payment of Rs. 25,000/- within one month from 6.10.2004. It is not known whether the petitioner has made the payment. However, having regard to the financial difficulties expressed by the petitioner, and since the business is said to be on loss, I direct the Bank to grant OTS benefit to the petitioner, if the petitioner makes makes within the time to be

granted by the Bank. In any case, there will be direction to the third respondent to waive penal interest and allow the petitioner to settle the liability if balance arrears exclusive of penal interest are paid before 31.12.2006. If the liability is not settled either under the OTS scheme or on the above scheme exclusive of penal interest by 31.12.2006, then respondents will be free to proceed for recovery of the entire arrears after 31.12.2006.

(C.N.RAMACHANDRAN NAIR)
Judge